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John E. Dougherty III  
PO Box 501  
Rimrock, AZ  
86335  
Intervener

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

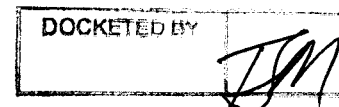
Commissioners

BOB STUMP – Chairman  
GARY PIERCE  
SUSAN BITTER SMITH  
BRENDA BURNS  
BOB BURNS

Arizona Corporation Commission

**DOCKETED**

JAN 14 2013



IN THE MATTER OF THE  
APPLICATION FOR APPROVAL  
OF A RATE INCREASE  
BY MONTEZUMA  
WATER COMPANY, LLC

W-04254A-12-0204  
W-04254A-12-0205  
W-04254A-12-0206  
W-04254A-12-0207

**Motion for Procedural Conference  
to Resolve Discovery Dispute**

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By the Intervener:

On December 7, 2012 the Administrative Law Judge ORDERED that Montezuma shall, as soon as possible and before the January 2, 2013, procedural conference in this matter, as to each portion of Mr. Dougherty's First Data Request and Second Data Request, provide a good faith and complete response or, if Montezuma has a valid legal rationale for doing so, file an objection explaining the legal rationale.

On December 17, 2012, the Commission ORDERED that Montezuma's deadline to respond to each portion of Mr. Dougherty's First Data Request and Second Data Request as provided in the Procedural Order of December 7, 2012... is hereby extended to January 16, 2013.

On January 9, 2013, Intervener received Montezuma's "Response to John Dougherty Data Request" by certified mail at his PO Box in Rimrock.

While the Company has provided some of the records sought, Montezuma Rimrock has failed to produce records for the majority of the items sought. In doing so, the Company has provided no valid legal rationale for withholding the records.

In response to the First Data Request (Exhibit 1), the Company submitted the following:

**Item 1.** Montezuma Rimrock did not provide any records in response to this request nor did it provide a valid legal rationale for withholding the records.

Montezuma Rimrock is required to maintain and provide this information under R14-2-411 (D) (1,2,3).

Montezuma Rimrock's accountant, in response to a subpoena, provided the Company's General Ledger from October 1, 2011 through Dec. 31, 2011

The accountant, however, stated he does not have any additional information for 2012 and will only have access to Montezuma Rimrock's books for 2012 when he prepares the Company's 2012 annual report for the Commission in early 2013. (Exhibit 2)

Therefore, Intervener is still seeking the Company's General Ledger from Jan. 1 through Oct 31, 2012 and will file subsequent Data Requests for the General Ledger for the balance of 2012 and into 2013.

**Item 2.** Montezuma Rimrock did not provide any banking records for 2012.

The Company, however, provided National Bank of Arizona banking records for Oct, Nov. and Dec. 2011.

Intervener has obtained Company banking records from January 2012 through October 2012 through a subpoena issued to National Bank of Arizona. Therefore, Intervener has obtained the records sought in Item 2.

**Item 3.** Montezuma Rimrock did not provide any records related to the Company's quarterly unemployment tax filings for 2010, 2011 and 2012 nor did it provide a valid legal rationale for refusing to do so.

**Item 4.** Montezuma Rimrock did not provide the unredacted APS bills for Well No. 4 located on parcel 405-25-517 from April 2011 through Nov. 2012 nor did it provide a valid legal rationale for refusing to do so.

**Item 5.** Montezuma Rimrock states the only water services agreement between the Company and Ms. Patricia Olsen was provided in Docket No. W-4254A-08-0361 and W-4254A-08-0362.

Intervener has a copy of that agreement and therefore has obtained the records sought in Item 5.

**Intervener's Second Data Request (Exhibit 3):**

**Item 6.** The Company produced no records and instead refers to previous records requests in different dockets. The Company provided no valid legal rationale for refusing to produce the records.

**Item 7.** The company produced no records and instead refers to previous records requests in different dockets. The Company provided no valid legal rationale for refusing to produce the records.

**Item 8.** Montezuma Rimrock provided copies of billing statements to the Company from Nile River Leasing, LLC for the Arsenic Treatment building in the amount of \$367.23 for the following dates: June 25, 2012, July 25, 2012, Aug. 25, 2012, Sept. 25, 2012 and Oct. 25, 2012.

Montezuma Rimrock provided copies of billing statements from Financial Pacific Leasing, LLC to the Company for the Arsenic Treatment system for May 29, 2012 (\$1,287.4) , June 28, 2012 (\$1,361.10) , July 29, 2012 (\$1,209.65), August 29, 2012 (\$1,135.96) , September 28, 2012 (\$1,135.96) and Oct. 29, 2012 (\$1,135.96).

In addition, the Company provided copies of a "Payment Authorization Notice" from Financial Pacific Leasing, LLC to Montezuma allowing for the automatic withdrawal from a bank card ending in "1762" dated June 16, 2012 (\$1,287.41), July 18, 2012 (\$1,361.10), Aug. 17, 2012 (\$1,095.28), Sept. 19, 2012 (\$1,135.96) and Oct. 20, 2012 (\$1,135.96).

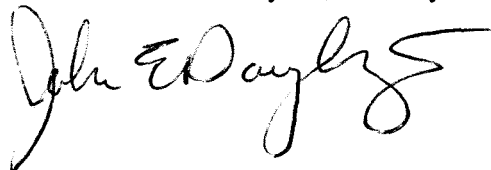
The company has not provided copies of any checks or other payment receipts for both leases, therefore the company has not complied with this request.

Intervener's efforts to communicate with Ms. Olsen to discuss Discovery matters have been unsuccessful. In fact, Ms. Olsen refused to pick up from the Rimrock Post Office Intervener's Certified letter that included Intervener's Second Data Request. (Exhibit 4).

Given the Company's refusal to provide the records identified above, the Company's failure to provide a valid legal rationale for withholding the documents and its refusal to engage in dialog or even accept certified legal mail from Intervener, Intervener must ask the Commission to become directly involved.

**Intervener respectfully Moves the Commission to schedule a Procedural Conference at the soonest possible date to address Discovery issues.**

Submitted on January 11, 2013 by

A handwritten signature in black ink, appearing to read "John E. Day", with a stylized flourish at the end.

I certify that a copy of this Motion has been mailed on January 11, 2013 to:

Ms. Patricia Olsen  
Montezuma Rimrock Water Company  
P.O. Box 10  
Rimrock, AZ 86335

Daniel Pozefsky  
RUCO  
1110 W. Washington St.  
Suite 220  
Phoenix, AZ 85007

Janice Alward  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Steve Olea  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Lyn Farmer  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

**MONTEZUMA RIMROCK WATER COMPANY  
DOCKET NO. W-4254A-12-0204, 0205, 0206 and 0207**

**INTERVENER JOHN E. DOUGHERTY'S  
FIRST SET OF DATA REQUESTS**

1. Montezuma Rimrock's general accounting ledger from Oct. 1, 2011 through October 31, 2012.
2. All MRWC monthly bank statements from October 1, 2011 through October 31, 2012. This includes, but is not limited to, the five National Bank of Arizona accounts controlled by MRWC as of September 30, 2011 with the following account numbers:

Hookup Account  
0076025247

Arsenic Account:  
8010000035

Account Deposit  
0070033318

Main Account  
0070033297

Meter Deposit  
0076025538

3. All MRWC quarterly unemployment tax filings for 2010, 2011 and 2012.
4. The complete, unredacted, Arizona Public Service Company monthly electric bills for Well No. 4 located on Yavapai County Parcel No. 405-25-517 from April 2011 through November 2012.
5. The Water Service Agreement between MRWC and Ms. Patricia Olsen in connection with the leasing of an Arsenic Treatment Facility and a building housing the ATF equipment.



John Dougherty &lt;jd.investigativemedia@gmail.com&gt;

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**summons**6 messages

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**John Campbell** <johncampbellsedona@gmail.com>

Tue, Dec 4, 2012 at 2:20 PM

To: Jd.investigativemedia@gmail.com

Hello,

I what format do you want items 1 and 2?

Thank you,

John Campbell

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**John Dougherty** <jd.investigativemedia@gmail.com>

Tue, Dec 4, 2012 at 2:53 PM

To: John Campbell &lt;johncampbellsedona@gmail.com&gt;

Printed out.

[Quoted text hidden]

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**John Campbell** <johncampbellsedona@gmail.com>

Tue, Dec 4, 2012 at 3:04 PM

To: John Dougherty &lt;jd.investigativemedia@gmail.com&gt;

I only get updated financial records once a year when it is time to prepare the annual ACC reports. That is generally in March, when I receive the prior years financial records.

All I have available now is October 1, 2011 thru December 31, 2011.

I have not prepared any employment or unemployment tax returns for MRW Co. since 2009. I do not know the status for the years 2010, 2011 and 2012.

Where do I mail the general ledger reports?

Thank you.

John Campbell

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**From:** John Dougherty [mailto:jd.investigativemedia@gmail.com]

**Sent:** Tuesday, December 04, 2012 2:54 PM

**To:** John Campbell

**Subject:** Re: summons

[Quoted text hidden]

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**John Dougherty** <jd.investigativemedia@gmail.com>

Tue, Dec 4, 2012 at 3:38 PM

To: John Campbell <johncampbellsedona@gmail.com>

This is hard to believe that the book keeper only receives financial information from a regulated utility on an annual basis. My address is on the subpoena.

[Quoted text hidden]

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**John Campbell** <johncampbellsedona@gmail.com>

Wed, Dec 5, 2012 at 10:58 AM

To: John Dougherty <jd.investigativemedia@gmail.com>

Hello,

I am not the bookkeeper. The MRW Co. has contracted my services to review the books and to prepare year end financial reports on an annual basis.

I will mail the general ledger report from 10-1-2011 thru 12-31-11 this week.

Sincerely,

Exhibit 3

**MONTEZUMA RIMROCK WATER COMPANY  
DOCKET NO. W-4254A-12-0204, 0205, 0206 and 0207**

**INTERVENER JOHN E. DOUGHERTY'S  
SECOND SET OF DATA REQUESTS**

6. All MRWC financial records including checks, receipts, loan agreements, and any other financial instrument related to the purchase of land, permitting, legal fees, engineering, surveying and construction of MRWC's Well No. 4 including, but not limited to:

a. All MRWC expense receipts and payments including checks and credit card records related to the purchase of Yavapai County Parcel 405-25-517, including the down payment and all monthly payments made from MRWC accounts to Yavapai Title Company to pay a loan securing the property.

b. All MRWC expense receipts and payments including checks and credit card records related to the construction of Well No. 4 including the cost of digging the first well that was abandoned, the cost of relocating the well to a new site on the parcel, the cost of digging that well including all equipment, piping and other installation infrastructure including electrical facilities and fencing.

c. All MRWC expense receipts and payments including checks and credit card records related to the engineering, design, surveying and all other professional services used to construct Well No. 4 and meet all Arizona Department of Environmental Quality requirements for Approval to Construct and Approval of Construction permits.

d. All MRWC expense receipts and payments including checks and credit card records related to legal expenses connected with constructing Well No. 4 and seeking final permitting approval from Yavapai County.

e. All MRWC expenses receipts and payments including checks and credit card records related to 72-hour pump test of Well No. 4 to meet ADEQ permitting requirements.

7. All MRWC financial records including checks, receipts, loan agreements, and any other financial instrument related to the construction of a pipeline from Well No. 4 to Well No. 1, including, but not limited to:

a. All MRWC expense receipts and payments including checks and credit card records related to surveying, engineering, permitting and design of the pipeline.

b. All MRWC expense receipts and payments including checks and credit card records related to the purchase of pipe and other material for construction of the pipeline.

c. All MRWC expense receipts and payments including checks and credit card records related to the construction and installation of the pipeline.



8. All MRWC financial records including checks, receipts, loan agreements, and any other financial instrument related to acquisition of an Arsenic Treatment Facility that has been installed at Well site No. 1, including all lease payments for the ATF and the building housing the ATF.